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(February)

COMMERCE

(Honours)

(**Bank Management**)

[BC-505]

Marks : 75

Time : 3 hours

*The figures in the margin indicate full marks
for the questions*

1. Give a detailed description of CRR, SLR and repo rate. How do they influence the operation of commercial bank? 15

Or

- (a) As per the present corporate governance mechanism, banks need to have many committees. Elaborate the role of two of them. 7½
- (b) "Indian banking structure has changed a lot during the last decade." Explain in detail. 7½

2. What are the various aspects covered under bank financial management? Explain three of them in detail. 15

Or

- (a) State the composition of Board of Directors in a bank and elaborate how the board function. 7½
- (b) "Manpower planning is an important management area." Elaborate this in the context of a bank. 7½

3. (a) What is CASA ratio? How is it useful for fund management? 10

- (b) Write a note on the insurance available to a depositor of a bank. 5

Or

- (a) "Net interest margin is directly influenced by the composition of the total deposits in a bank." Explain. 7½
- (b) What is tier II capital? How is it computed? What is its use? 7½

4. (a) Give an account of the overall composition of lending portfolio and investment portfolio of Indian commercial banks. 7½

(3)

(b) Explain the liquidity-profitability trade-off in banks. 7½

Or

(a) What is the current definition of priority sector? Does priority sector lending contribute to non-performing assets? Give your comments. 7½

(b) Distinguish between secured loan and unsecured loan. What are the different types of securities used for extending secured loan to a borrower? 7½

5. (a) Explain ratio analysis as a management tool for liquidity risk. 7½

(b) What is market risk? How is it measured? Explain any one of them. 7½

Or

(a) What are the sources of operational risk? How does this risk impact banking operation? 10

(b) What is default risk? Why does this arise? 5

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